

IC 22-4-26

Chapter 26. Unemployment Insurance Benefit Fund

IC 22-4-26-1

Establishment; source of funds

Sec. 1. There is established a special fund to be known as the unemployment insurance benefit fund which shall be administered separate and apart from all public money or funds of the state. This fund shall consist of:

- (1) all contributions, all payments in lieu of contributions, all money received from the federal government as reimbursements pursuant to section 204 of the Federal-State Extended Compensation Act of 1970, and all money paid into and received by it as provided in this article;
- (2) any property or securities and the earnings thereof acquired through the use of money belonging to the fund;
- (3) all other money received for the fund from any other source;
- (4) all money credited to this state's account in the unemployment trust fund pursuant to 42 U.S.C. 1103, as amended; and
- (5) interest earned from all money in the fund.

Subject to the provisions of this article, the board is vested with full power, authority, and jurisdiction over the fund, including all money and property or securities belonging thereto, and may perform any and all acts whether or not specifically designated in this article which are necessary or convenient in the administration thereof consistent with the provisions of this article and the Depository Act. The money in this fund shall be used only for the payment of unemployment compensation benefits.

(Formerly: Acts 1947, c.208, s.2701; Acts 1957, c.299, s.8; Acts 1973, P.L.239, SEC.5.) As amended by P.L.18-1987, SEC.68.

IC 22-4-26-2

Administration of fund

Sec. 2. The fund shall be administered exclusively for the purpose of this article, and money withdrawn therefrom, except for deposit in the unemployment insurance benefit fund and for refund, as provided in this article, and except for amounts credited to the account of this state pursuant to 42 U.S.C. 1103, as amended, which shall be used exclusively as provided in section 5 of this chapter, shall be used solely for the payment of benefits. Payment of benefits and refunds shall be made in accordance with the rules prescribed by the board consistent with the provisions of this article. Withdrawals from the fund except as provided in section 5 of this chapter shall not be subject to any provisions of law requiring specific appropriations or other formal release by state officers of money in their custody.

(Formerly: Acts 1947, c.208, s.2702; Acts 1957, c.299, s.9.) As amended by P.L.144-1986, SEC.123; P.L.18-1987, SEC.69.

IC 22-4-26-3

Treasurer of fund; depositories; investments

Sec. 3. The treasurer of state shall be ex officio treasurer and custodian of the fund and shall administer the fund in accordance with the provisions of this article and the directions of the commissioner and shall pay all warrants drawn upon it in accordance with such rules as the board may prescribe. All contributions provided for in this article shall be paid to and collected by the department. All contributions and other money payable to the fund as provided in this article upon receipt thereof by the department shall be paid to and deposited with the treasurer of state to the credit of the unemployment insurance benefit fund. The commissioner shall immediately order the auditor of state to issue the auditor's warrant on the treasurer of state immediately to forward such money and deposit it, together with any money earned thereby while in the treasurer's custody and any other money received by the treasurer for the payment of benefits from any source other than the unemployment trust fund, with the Secretary of the Treasury of the United States of America to the credit of the unemployment trust fund. All money belonging to the unemployment insurance benefit fund and not otherwise deposited, invested, or paid over pursuant to the provisions of this article may be deposited by the treasurer of state under the direction of the commissioner in any banks or public depositories in which general funds of the state may be deposited, but no public deposit insurance charge or premium shall be paid out of money in the unemployment insurance benefit fund, any other provisions of law to the contrary notwithstanding. The treasurer of state shall, if required by the Social Security Administration, give a separate bond conditioned upon the faithful performance of the treasurer's duties as custodian of the fund in an amount and with such sureties as shall be fixed and approved by the governor. Premiums for the said bond shall be paid as provided in IC 22-4-24.

(Formerly: Acts 1947, c.208, s.2703.) As amended by P.L.144-1986, SEC.124; P.L.18-1987, SEC.70; P.L.21-1995, SEC.106.

IC 22-4-26-4**Federal aid; requisition; disposition of balance**

Sec. 4. The commissioner, through the treasurer of state acting as its fiscal agent, shall requisition from time to time from the unemployment trust fund such amounts not exceeding the amount standing to its account therein as it deems necessary for the payment of benefits for a reasonable future period and for refunds, but for no other purpose. Upon receipt thereof, the treasurer of state shall deposit such money in the unemployment insurance benefit fund in a special benefit account, and upon order of the commissioner, the auditor of state or the auditor's duly authorized agent shall issue the auditor's warrants for the payment of benefits and refunds by the treasurer of state. Any balance of money so requisitioned which remains unclaimed or unpaid in the special benefit account of the unemployment insurance benefit fund after the expiration of the period for which such sums are requisitioned shall either be deducted

from estimates for, and may be utilized for the payment of, benefits and refunds during succeeding periods, or in the discretion of the commissioner shall be redeposited with the Secretary of the Treasury of the United States to the credit of the unemployment trust fund as provided in section 3 of this chapter.

(Formerly: Acts 1947, c.208, s.2704.) As amended by P.L.144-1986, SEC.125; P.L.18-1987, SEC.71; P.L.21-1995, SEC.107.

IC 22-4-26-5

Use of money from federal unemployment trust fund; appropriations

Sec. 5. (a) Money credited to the account of this state in the unemployment trust fund by the Secretary of the Treasury of the United States pursuant to 42 U.S.C. 1103, as amended, may be requisitioned and used for the payment of expenses incurred for the administration of this article and public employment offices pursuant to a specific appropriation by the general assembly, provided that the expenses are incurred and the money is requisitioned after the enactment of an appropriation statute which:

(1) specifies the purposes for which such money is appropriated and the amounts appropriated therefor;

(2) except as provided in subsection (i), limits the period within which such money may be obligated to a period ending not more than two (2) years after the date of the enactment of the appropriation statute; and

(3) limits the total amount which may be obligated during a twelve (12) month period beginning on July 1 and ending on the next June 30 to an amount which does not exceed the amount by which:

(A) the aggregate of the amounts credited to the account of this state pursuant to 42 U.S.C. 1103, as amended, during such twelve (12) month period and the twenty-four (24) preceding twelve (12) month periods; exceeds

(B) the aggregate of the amounts obligated by this state pursuant to this section and amounts paid out for benefits and charged against the amounts credited to the account of this state during such twenty-five (25) twelve (12) month periods.

(b) For the purposes of this section, amounts obligated by this state during any such twelve (12) month period shall be charged against equivalent amounts which were first credited and which have not previously been so charged, except that no amount obligated for administration of this article and public employment offices during any such twelve (12) month period may be charged against any amount credited during such twelve (12) month period earlier than the fourteenth preceding such twelve (12) month period.

(c) Amounts credited to the account of this state pursuant to 42 U.S.C. 1103, as amended, may not be obligated except for the payment of cash benefits to individuals with respect to their unemployment and for the payment of expenses incurred for the

administration of this article and public employment offices pursuant to this section.

(d) Money appropriated as provided in this section for the payment of expenses incurred for the administration of this article and public employment offices pursuant to this section shall be requisitioned as needed for payment of obligations incurred under such appropriation and upon requisition shall be deposited in the employment and training services administration fund but, until expended, shall remain a part of the unemployment insurance benefit fund. The commissioner shall maintain a separate record of the deposit, obligation, expenditure, and return of funds so deposited. If any money so deposited is for any reason not to be expended for the purpose for which it was appropriated, or if it remains unexpended at the end of the period specified by the statute appropriating such money, it shall be withdrawn and returned to the Secretary of the Treasury of the United States for credit to this state's account in the unemployment trust fund.

(e) There is appropriated out of the funds made available to Indiana under Section 903 of the Social Security Act, as amended by Section 209 of the Temporary Extended Unemployment Compensation Act of 2002 (which is Title II of the federal Jobs Creation and Worker Assistance Act of 2002, Pub.L107-147), seventy-two million two hundred thousand dollars (\$72,200,000) to the department of workforce development. The appropriation made by this subsection is available for ten (10) state fiscal years beginning with the state fiscal year beginning July 1, 2003. Unencumbered money at the end of a state fiscal year does not revert to the state general fund.

(f) Money appropriated under subsection (e) is subject to the requirements of IC 22-4-37-1.

(g) Money appropriated under subsection (e) may be used only for the following purposes:

- (1) The administration of the Unemployment Insurance (UI) program and the Wagner Peyser public employment office program.
- (2) Acquiring land and erecting buildings for the use of the department of workforce development.
- (3) Improvements, facilities, paving, landscaping, and equipment repair and maintenance that may be required by the department of workforce development.

(h) In accordance with the requirements of subsection (g), the department of workforce development may allocate up to the following amounts from the amount described in subsection (e) for the following purposes:

- (1) Thirty-nine million two hundred thousand dollars (\$39,200,000) to be used for the modernization of the Unemployment Insurance (UI) system beginning July 1, 2003, and ending June 30, 2013.

(2) For:

- (A) the state fiscal year beginning after June 30, 2003, and

ending before July 1, 2004, five million dollars (\$5,000,000);

(B) the state fiscal year beginning after June 30, 2004, and ending before July 1, 2005, five million dollars (\$5,000,000);

(C) the state fiscal year beginning after June 30, 2005, and ending before July 1, 2006, five million dollars (\$5,000,000);

(D) the state fiscal year beginning after June 30, 2006, and ending before July 1, 2007, five million dollars (\$5,000,000); and

(E) the state fiscal year beginning after June 30, 2007, and ending before July 1, 2008, five million dollars (\$5,000,000);

for the JOBS proposal to meet the workforce needs of Indiana employers in high wage, high skill, high demand occupations.

(3) For:

(A) the state fiscal year beginning after June 30, 2003, and ending before July 1, 2004, four million dollars (\$4,000,000);

(B) the state fiscal year beginning after June 30, 2004, and ending before July 1, 2005, four million dollars (\$4,000,000);

to be used by the workforce investment boards in the administration of Indiana's public employment offices.

(i) The amount appropriated under subsection (e) for the payment of expenses incurred in the administration of this article and public employment is not required to be obligated within the two (2) year period described in subsection (a)(2).

(Formerly: Acts 1947, c.208, s.2705; Acts 1957, c.299, s.10; Acts 1965, c.190, s.15; Acts 1969, c.300, s.6; Acts 1973, P.L.239, SEC.6.) As amended by P.L.144-1986, SEC.126; P.L.18-1987, SEC.72; P.L.21-1995, SEC.108; P.L.224-2003, SEC.120.